

State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
March 12, 4:30 P.M. to 6:00 P.M.
State of Rhode Island Department of Labor and Training
1511 Pontiac Avenue, Building 73-1
Cranston, RI 02920-4407

Attendance

Members

Co-Chair Commissioner Marie Ganim, Co-Chair Stephen Boyle, Ruth Feder, Teresa Paiva Weed, Al Charbonneau, Sam Salganik, Vivian Weisman, David Feeney, David Katseff, Hub Brennan

Issuers

Shawn Donahue, Blue Cross & Blue Shield of RI
Lauren Conway, UnitedHealthcare

State of Rhode Island Office of the Health Insurance Commissioner Staff

Emily Maranjian, Cory King

Not in Attendance

Gregory Allen, Bill Schmiedeknecht, Karl Brother

Minutes

1. Welcome and Review of February Meeting Minutes

Commissioner Ganim called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance.

The minutes from the February 20, 2017 HIAC meeting were accepted unanimously with no changes.

2. RIREACH Consumer Update

Sam Salganik gave an update on RIREACH consumer assistance activities. RIREACH helped 250 clients in the month of February and realized approximately \$120,000 in consumer savings. RIREACH's new client management database implemented in January has been working well, and OHIC and RIPIN are working together to determine what data and metrics should be tracked in the new system.

3. Market Impact Review: Proposed Partners Acquisition of Care New England

With news of Boston-based Partners HealthCare interested in a potential acquisition of Rhode Island's Care New England Health, OHIC enlisted consultant Bailit Health to prepare a report on how such a deal might impact health insurance prices for Rhode Island consumers. One of the report's authors, Aron Boros, gave a presentation on the market impact review to the Council.

The market impact review was informed by interviews with health insurers in Rhode Island, Massachusetts and New Hampshire, interviews with an economist, a literature review, and data available from the Massachusetts Health Policy Commission. The full Market Impact Review is [available on the OHIC website](#). Aron's presentation summarized the report's conclusions:

- The Market Impact Review identifies 6 potential Partners post-acquisition actions:
 1. Rate increases
 2. Building Rhode Island Market Share (through physician group expansion and increased CNE hospital volume)
 3. Referrals to Boston Academic Medical Centers and other Partners facilities
 4. New facilities
 5. Value-based contracting
 6. Cost reduction
- Even if Partners does not acquire CNE, some action by CNE is inevitable, as its current rate of financial loss is not sustainable.
- The reviews authors find it likely that Partners would take actions to increase revenue to CNE, which, if successful, would adversely impact the affordability of premiums.
- There are a variety of actions Partners could take to increase revenue. Another acquiring entity would be likely to seek similar approaches.
- The state will have significant influence over the impact that a Partners acquisition of CNE would have on commercial health insurance premiums.

James Fanale, President and CEO of Care New England, was present at the meeting and offered the following comments after Aron concluded his presentation:

- Care New England's financial situation is not as precarious as has been reported. However, "in order to be successful long term and rebuild the capital infrastructure... we need to have a partner."
- Regarding facility fees, which the Market Impact Review noted could be a source of revenue for Partners/CNE, Mr. Fanale pointed out that there are rules and regulations to applying facility fees and that "you can't just have a facility fee just because you want one."

- Mr. Fanale pointed out that CNE has been engaged in value-based contracting for the last two or three years “very aggressively.” He said Integra, CNE’s accountable entity, is “taking risk much more than any other organization in the state has done.” He noted that utilization at Butler and Kent hospitals had been reduced “substantially over the last year.” Mr. Fanale said CNE saved Medicare \$11 million in 2016. He said CNE has been “trendsetters in accountable care and trying to reduce overutilization,” and that their success in this area should be taken into account.
- Mr. Fanale concluded by saying he will be happy to engage more in this dialogue.

4. Premium Rate Study

This agenda item was postponed to the April meeting.

5. SIM Update

Mark Gray relayed the following update from SIM Director Marti Rosenberg:

Updating procurements –

- SIM recently announced that the contract for a workforce development training project for behavioral health providers has been awarded to John Snow incorporated, working with the Substance use and Mental Health Leadership Council and RI College.
- Also, SIM has procured our Electronic Clinical Quality Measure project with a company called IMAT. This is the project where healthcare providers can upload their quality data once, and analyze it many times.
- We have also kicked off the State Data Ecosystem work. The Ecosystem is an integrated data system, which brings together data from all EOHHS state agencies, allowing us new power to analyze how the programs work with the whole person, not just siloed individuals.
- More information about our projects can be found on the SIM webpage, on the EOHHS site.

SIM is also focused on sustainability – working with stakeholders and CMS to determine how to continue on the health system transformation that we have been supporting with our SIM funds.

- Our Sustainability Workgroup has met twice and will likely meet twice again, to prepare a plan that we will submit both to our Steering Committee and to CMS.
- To determine how to continue the health system transformation, we are focused on the following 4 areas:
 - *Interagency Model and Promotion of a “Culture of Collaboration”*
 - *SIM’s Public/Private Collaboration*
 - *Shared Knowledge and Learning from the Project*
 - *Individual SIM-Funded Projects*
- We can continue to share updates on this with HIAC.
- And as a part of understanding the health system transformation, we were pleased to welcome Commissioner Ganim and Medicaid Director Tighe to our SIM Steering Committee meeting last week. They each presented on how their agency was focused on transformation.

6. OHIC Legislative Update

The Council discussed sending a letter to Rhode Island's congressional delegation asking for support of health insurance market stability measures included in a spending bill. After discussing cost-sharing reduction subsidy payments and establishing a reinsurance program, consensus emerged around supporting reinsurance.

7. Public Comment

Mark Van Noppen, owner of the Armory Revival Company, said his company offers health insurance benefits to its approximately 25 employees. He said many of his competitors are avoiding paying for health insurance. He said he appreciated the Council's comments on "innovation" because the current system is "completely unsustainable." He described the way we currently "do healthcare" as being a "giant sucking sound on the economy." He noted that not only is it challenging for his business, but for many other companies and municipalities as well. He said that while "chipping away at the edges" was "tremendous, because it helps," he also called for "dramatic... outside-the-box" action to transform the health care system to prevent it from continuing to be a drag on the economy.

Council member Vivian Weisman responded to this with "single payer," and another member of the audience echoed. Mr. Van Noppen, citing a lack of in-depth knowledge on his part, commented that he was not advocating for single payer or any specific policy or proposal, only that some bold, innovative action be taken.

Julie Van Noppen, Mr. Van Noppen's wife, commented on high pharmaceutical prices, saying she did not understand why drugs were so much more expensive in the United States when she can order many of them from Canada for a fraction of the price.

Hub Brennan acknowledged that as a small business owner who pays for health insurance, Mr. Van Noppen had more than enough knowledge to participate in a discussion on health care policy and transforming the health care system. He noted the importance of small employer voices being heard on health care matters, saying that "if we lose [the small business owner] ... we've failed."

David Feeney pointed out that the high cost of drugs in the United States was "subsidizing" the lower cost of the drugs in other countries.

Ruth Feder expressed agreement with Mr. Van Noppen, saying recent policy proposals have been "band-aids" and that bigger, bolder action was necessary.

Next Meeting

The next meeting of the Health Insurance Advisory Council will be Tuesday, April 17, 2017, from 4:30 – 6:00 PM at the State of Rhode Island Department of Labor and Training, 1511 Pontiac Avenue, Building 73-1, Cranston, RI 02920-4407.